



Testimony to the Human Services Committee

Presented by Mag Morelli, President, LeadingAge Connecticut

March 5, 2013

Regarding

Senate Bill 1022, An Act Concerning Providing Incentives to Meet Long-term Care Goals

Senate Bill 1025, An Act Concerning Advance Payments to Nursing Facilities for Uncompensated Care

House Bill 5919, An Act Concerning Presumptive Medicaid Eligibility for Home Care

House Bill 6543, An Act Ameliorating the Debt Owed to Nursing Facilities

Good afternoon Senator Slossberg, Representative Abercrombie, and members of the Human Services Committee. My name is Mag Morelli and I am the President of LeadingAge Connecticut, a membership organization representing over one hundred and thirty mission-driven and not-for-profit provider organizations serving older adults throughout the continuum of long term care.

Our members are sponsored by religious, fraternal, community, and municipal organizations that are committed to providing quality care and services to their residents and clients. Our member organizations, many of which have served their communities for generations, are dedicated to expanding the world of possibilities for aging.

On behalf of LeadingAge Connecticut, I would like to testify on several bills before you today.

Senate Bill 1022, An Act Concerning Providing Incentives to Meet Long-term Care Goals

Senate Bill 1022 proposes to establish an additional option for the state to use in its efforts to accomplish the rightsizing goal of reducing the number of long term nursing home beds in the state. We would request that if the Committee agrees to add this option, that it be done in a manner that would not remove the underlying language that currently allows the Department of Social Services to modify rates paid to a nursing facility in order to effectuate the strategic plan. The underlying language is intended to provide the Department with the authority to work with nursing homes that are developing new ideas and strategies that fit within the state's strategic plan. It is much broader in nature than the proposed language and could encompass a variety of opportunities and scenarios involving nursing home planning. The proposed language is much more specific as it relates just to the reduction of beds.

Suggested revision of the proposed language:

(d) The Commissioner of Social Services may contract with nursing facilities, as defined in section 17b-357, and home and community-based providers for the purpose of carrying out the strategic plan. In addition, the commissioner may revise a rate paid to a nursing facility pursuant to section 17b-340 in order to effectuate the strategic plan and shall increase a rate paid to a nursing facility pursuant to section 17b-340 whenever the facility voluntarily decreases its total licensed bed capacity by way of a temporary reduction or permanent decertification of licensed beds, including bed reductions associated with the voluntary closing of a facility, in order to effectuate the strategic plan. The commissioner may fund strategic plan initiatives with federal grant-in-aid resources available to the state pursuant to the Money Follows the Person demonstration project pursuant to Section 6071 of the Deficit Reduction Act, P.L. 109-171, and the State Balancing Incentive Payments Program under the Patient Protection and Affordable Care Act, P.L. 111-148.

Senate Bill 1025, An Act Concerning Advance Payments to Nursing Facilities for Uncompensated Care

LeadingAge Connecticut strongly supports this bill which will provide immediate relief to nursing homes that are experiencing extended periods of non-payment from the state due to excessive delays in the Medicaid eligibility process.

The state's current Medicaid eligibility system is not able to qualify long term care applications in a timely manner and as a consequence, consumers are unable to access services in the community and nursing home providers are incurring millions of dollars in bills owed by the state. We understand that the Commissioner of Social Services (DSS) is working on these issues. In fact, we are working very closely with DSS and are very optimistic about the future of the eligibility system. DSS has instituted a modernization plan which we believe will help the situation, but the full implementation of modernization is at least a year away. This crisis simply cannot wait and requires immediate action.

Nursing homes are providing months and sometimes years of uncompensated care during prolonged periods of pending eligibility. Our member nursing homes are reporting Medicaid payments owed by the state that range in amounts from tens of thousands of dollars up to and over a million dollars per nursing home. At the same time, nursing home providers are required to pay the nursing home user fee (provider tax) of \$21.02 per bed per day for pending cases. Nursing homes cannot continue to function with this restriction on cash flow. We need help now - help to get us through this transition period as we wait for the eligibility system to improve.

We therefore are requesting a program of advanced payments that will provide the crucial financial relief needed during extended periods of pending Medicaid eligibility. The advanced payments should have no fiscal impact on the state as they would be an advance of Medicaid payments that are already owed to the facilities. We also believe that the advanced payment program could be removed once the eligibility system is modernized and the Department is able to qualify long term care applicants in a timely manner. We are also willing to work on the language of this bill to minimize the risk to the state. We strongly support a resolution to this situation and encourage the Committee to support this bill.

House Bill 5919, An Act Concerning Presumptive Medicaid Eligibility for Home Care

Similar to the previous bill, LeadingAge Connecticut urges immediate action to address the pending Medicaid eligibility problems that are negatively affecting the access to care for the elderly living in the community and the financial stability of the providers of community based long term care services and supports.

We support House Bill 5919 which would immediately address the pending eligibility crisis in the Connecticut Home Care Program for Elders. The delay in processing the long term care Medicaid applications for this segment of our vulnerable elderly population is preventing individuals in the community from receiving needed services in a timely manner and placing them at risk. We strongly support a resolution to this situation and encourage the Committee to support this bill.

House Bill 6543, An Act Ameliorating the Debt Owed to Nursing Facilities

LeadingAge Connecticut previously testified to this Committee on the issue of withheld applied income and we would like to thank the Committee for raising the issue again in the bill before you today.

We believe that modifying the law to strengthen the nursing home's ability to receive private payment, including the ability to recover misappropriated applied income, will not only assist nursing homes, but will also promote the use of private resources to pay for nursing home care rather than encouraging a reliance on Medicaid funding. We are currently working in good faith with the legal community on these issues and we are hopeful that we can come to an agreement on proposed language.

Withheld Payment of Applied Income

When a nursing home resident is granted Medicaid, there is a calculated amount of the resident's own income (social security, pension, etc.) that must be used to pay for nursing home care. This is what is referred to as "applied income" and the amount that a nursing home receives in its Medicaid rate for a resident's care is reduced by the calculated amount of applied income. It is the responsibility of the nursing home, not the state, to actually collect the applied income.

While applied income is required to be paid to the nursing home as a condition of Medicaid eligibility, it is occasionally withheld by a family member, acquaintance or the resident. It is then the nursing home's responsibility and burden to seek recovery. It is for this reason that we have asked for legislation to provide nursing homes with additional statutory authority to pursue recovery of withheld applied income through civil action. The bill before you today proposes to allow the discharge of a nursing home resident who fails to pay the required applied income. At this time we would prefer to pursue the civil action authority rather than this proposal.

Again, we thank the Committee for raising these bills and addressing these crucial issues.

Thank you for this opportunity to provide this testimony and I would be happy to answer any questions.

**Mag Morelli, LeadingAge Connecticut, 1340 Worthington Ridge, Berlin, CT 06037
(860)828-2903 mmorelli@leadingagect.org**